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CENTER AGAINST SEXUAL ASSAULT OF  
SOUTHWEST  
RIVERSIDE COUNTY

P.O. Box 2564  
Hemet, CA 92546

Program Specific Audit of OES Grants

For the Period  
JULY 1, 2007 THROUGH JUNE 30, 2008

Auditor:  
Cox, Valdez & Silberman  
Certified Public Accountants  
A Professional Corporation

805 E. Florida Ave.  
Hemet, Ca 92543

CENTER OF SEXUAL ASSAULT OF SOUTHWEST RIVERSIDE

Program Specific Report on OES Grant

Year ended June 30, 2008

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Hemet, CA 92543

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE PROGRAM-SPECIFIC AUDIT OPTION UNDER OMB CIRCULAR A-133a

### Compliance

We have audited the compliance of Center Against Sexual Assault of Southwest Riverside County (CASA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to The Federal Victims of Crime Act of 1984 (VOCA) for the year ended June 30, 2008. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of CASA's management. Our responsibility is to express an opinion on CASA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on VOCA occurred. An audit includes examining, on a test basis, evidence about CASA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of CASA's compliance with those requirements.

In our opinion, CASA complied, in all material respects, with requirements referred to above that are applicable to its VOCA Program for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of non compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Compliance

The management of CASA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered CASA's internal control over compliance with the requirements that could have a direct and material effect on its VOCA program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CASA's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

CASA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit CASA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and the federal awarding agency and pass-through entity and is not intended to be and should not be used by anyone other than these specified parties.

*Cox, Valdez & Silberman*

Cox, Valdez & Silberman, CPA's

Hemet, CA  
March 19, 2009

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## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of cash receipts and disbursements and schedule of expenditures of federal awards for the Victims of Crime Act of CASA of Southwest Riverside for the year ended June 30, 2008. These financial statements are the responsibility of CASA of Southwest Riverside County's management. Our responsibility is to express an opinion on the financial statements of the program based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statements of cash receipts and disbursements and the schedule of expenditures of federal awards, referred to above present fairly, in all material respects, the cash receipts and disbursements and the expenditures of federal awards under the Victims of Crime Act for the year ended June 30, 2008 on the basis of accounting described in Note A.



Cox, Valdez & Silberman, CPA's

Hemet, CA  
March 19, 2009

**HEMET/SAN JACINTO  
CENTER AGAINST SEXUAL ASSAULT**

**STATEMENT OF RECEIPTS AND DISBURSEMENTS  
CFDA No. 16.575  
YEAR ENDED JUNE 30, 2008**

REVENUES

Personal

Federal revenue	83,565.00	
State revenue	34,584.00	
Matching funds	<u>34,727.00</u>	
Total Personal Revenue		152,876.00

Operating

Federal revenue	41,914.00	
State Revenue	<u>7,977.00</u>	
Total operating Revenue		<u>49,891.00</u>

TOTAL REVENUES		<u>202,767.00</u>
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EXPENDITURES

Personal

Federal expenditures	83,565.00	
State expenditures	34,584.00	
Matched funds	<u>34,727.00</u>	
Total Personal Expenditures		152,876.00

Operating

Federal expenditures	42,046.00	
State expenditures	<u>11,702.00</u>	
Total Operating Expenditures		<u>53,748.00</u>

TOTAL EXPENDITURES		<u>206,624.00</u>
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Expenditures over Grant Funds		<u><u>(3,857.00)</u></u>
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**HEMET/SAN JACINTO  
CENTER AGAINST SEXUAL ASSAULT**

**Schedule of Expenditures of Federal Award**

Year Ended June 30, 2008

Federal and State Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance	Program Identification Number	Program Expenses
Federal:			
		OES ID# 065-95005	
<u>Victims of Crime Act of 1984</u>	16.575	Award # RC07191326	171,897.00

Office of Emergency Services

Rape Crisis Program

CENTER AGAINST SEXUAL ASSAULT OF SOUTHWEST RIVERSIDE COUNTY

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2008

(1) Summary of Significant Policies Applicable to the Schedule of Expenditures of Federal Awards

(a) Scope of Presentation

The accompanying schedule presents only the expenses incurred by the Center Against Sexual Assault of Southwest Riverside County that are reimbursable under programs of federal agencies providing financial assistance. For the purposes of this schedule, the financial assistance includes federal financial assistance received by CASA indirectly from a non federal agency or other organization. Only the portion of program expenses reimbursable with such federal or selected state funds are reported in the accompanying schedule. Program expenses in excess of the maximum reimbursement authorized or the portion of the program expenses that were funded with other state, local or other non-federal funds are excluded from the accompanying schedule.

(b) Basis of Accounting

The schedule of expenditures of federal awards includes the federal grant activity of CASA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



# CENTER AGAINST SEXUAL ASSAULT OF SOUTHWEST RIVERSIDE COUNTY

## Schedule of Finding and Questioned Costs

Year Ended June 30, 2008

### A: Summary of Auditors' Results

1. There were no material weakness in internal control over financial reporting, nor were there any significant deficiencies in internal controls.
2. The audit disclosed no noncompliance which is material to the financial statements of the auditee.
3. There were no material weaknesses or other significant deficiencies in internal control over major programs of the auditee.
4. An unqualified report was issued by the auditors on compliance for major programs.
5. The major program of the auditee was the Federal Victims of Crime Act (VOCA) – passed through Governor's Office of Emergency Services, Law Enforcement and Victim Services Division.

### FINDINGS

As a result of our audit test work, the evaluation of internal control structure, and our review of the Center Against Sexual Assault of Southwest Riverside County (CASA) compliance with applicable laws and regulations, the following administrative findings have been identified.

### ACCOUNTING SYSTEM WEAKNESSES

Our audited noted the following weakness in CASA's accounting system:

1. The general ledger did not match the Report of Expenditures (OES 201's) for Personal services because the 201's were prepared from the bank statements rather than the general ledger. Timing issue of the bank statement personal expenses caused the difference. This caused the payroll that could have been reimbursed by the grant short.

### Recommendations:

The grantee should set up proper procedures to make sure the personal services are billed for reimbursements and that they match the posting of the general ledger:

CENTER AGAINST SEXUAL ASSAULT OF SOUTHWEST RIVERSIDE COUNTY

Schedule of Finding and Questioned Costs

Year Ended June 30, 2008

FINDINGS Continued

**Grantee's Response:**

Procedures have been changed to balance payroll journal entries to PayChex Payroll reports before entry into the general ledger.

**Auditor's Conclusion:**

A new procedure was implemented after the last audit. However, the audit was completed nine months into the 2007/2008 year. The procedures are being adjusted to make sure the gross payroll is used instead of the net. We believe the new procedures will assure proper recording in the general ledger.

- (2) Operating expenses in the general ledger accounts were more than what was requested for reimbursement from the grant. The requests (201's) were prepared from the bank statement rather than the general ledger to calculate the grant expenses, resulting in expenses being missed and the grant was under billed for reimbursement.

**Recommendations:**

The grantee should set up procedures to reconcile the request for reimbursements to the general ledger.

**Grantee's Response:**

Procedures have been changed so worksheets for reimbursements are done using the general ledger, not the bank statements. The new worksheet will be done by the bookkeeper. The Executive Director will check the worksheets against the general ledger and initial both the worksheet and the general ledger. The Executive Director will do the actual billing (201's) of the grants.

**Auditor's Conclusion:**

The new procedures and worksheets used to match the general ledger should solve this finding.

CENTER AGAINST SEXUAL ASSAULT OF SOUTHWEST RIVERSIDE COUNTY

Schedule of Finding and Questioned Costs

Year Ended June 30, 2008

FINDINGS Continued

- (3) The bank reconciliation did not match the balance in the general ledger. CASA uses "Quickbooks" software for their record keeping. The software prepares the bank reconciliation in the software for the grantee. The grantee trusted this bank reconciliation as being correct.

**Recommendations:**

After the reconciliation is completed by the software program, a responsible person should review the reconciliation for accuracy.

**Grantee's Response:**

The bank reconciliation will be done manually and by our software program for a few months to insure the accuracy of the accounting program.

**Auditors' Conclusion:**

We agree with this procedure which should insure an accurate reconciled bank balance to the general ledger

# CENTER AGAINST SEXUAL ASSAULT OF SOUTHWEST RIVERSIDE COUNTY

## Summary Schedule of Prior Audit Findings

Year Ended June 30, 2008

Center Against Sexual Assault of Southwest Riverside County's (CASA), Governor's Office of Emergency Services Grant Number RC06181326 was audited by Cox, Valdez & Silbermann, Certified Public Accountants, for July 1, 2006 through June 30, 2007.

1. The general ledger did not match the Report of Expenditures (OES 201's) for Personal services because the allocation for other services were not consistently posted correctly in the general ledger.
  - Finding was partially corrected after the prior audit results were discussed. Audit was performed late in the year, therefore, new procedures were implemented late in the grant year.
2. The grantee billed OES on the 201's for expenses above the approved grant budget.
  - Finding was partially corrected. Instead of using the general ledger to account for expenses, they used the bank statements.
3. Operation expenses in the general ledger accounts were more than what was budgeted, billed and paid.
  - Finding was attempted to be corrected by setting up some new procedures, however, instead of matching the 201's to the general ledger, they matched 'the 201's to bank statement.
4. Lack of segregation of duties.
  - Finding has been resolved.